

School Budgets and State Government:

HOW YOUR SCHOOL DISTRICT IS HANDLING THE BUDGET CRUNCH

We hope the following information is helpful to you in understanding your local school district's decisions in working through the funding crisis.

Preparing the LCSD Budget

By law, school districts must adopt a budget for each school year in which expenditures are equal to revenue. Throughout the school year, the budget is adjusted as needed, as anticipated revenues and/or expenditures fluctuate. According to Superintendent **Tom Rinearson**, even in "normal" years, school district budgets are extremely complex and fluid, and are filled with multiple sets of requirements and "strings attached" for consideration, such as federal laws, union contracts, and more.

→ Typically, Rinearson and other district level administrators and supervisors begin preparing the budget in December. They estimate funding levels for the following year based on the best possible information from the state and other sources.

→ Next, district staff tell each school principal how much money they will receive based on per-pupil spending levels. Principals in each of the district's four



PROTESTING EDUCATION CUTS: Concerned citizens from throughout the state gathered in Salem earlier this year to urge Oregon Legislators to find funds for K-12 Education.

geographic areas work together to develop budgets for their area and for their schools, with input from site councils, staff and community members. Meanwhile, district level administrators are developing budgets for special funds such as federal monies, grants, etc.

→ With much assistance of district staff, Rinearson melds all this information into a proposed budget, and presents it to the LCSD Budget Committee in May. The committee, comprised of the five school board members and five registered voters, has two tasks: to set the property tax rate (which already is predetermined by the state), and to approve a balanced budget. The public is welcome to these meetings.

→ Following the budget public hearing (**Tuesday, June 23, 7 p.m., at Newport High School**), the School Board will adopt the budget.

By the time this process is completed, between 800 and 1,000 individuals will have provided input into the document, Rinearson says.

The State Budget

Oregon's state budget covers a two-year period, with the most recent budget cycle ending June 30, 2009. Between December 2008 and March 2009, the state's budget shortfall (in its general fund and lottery fund) tripled to more than \$3.1 billion. The full extent of the

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The funding crisis for the last few months of this school year was averted, allowing Lincoln County Schools to remain open as scheduled through June 10. For the last several weeks, district administrators and staff have shifted their full attention to next year's budget – which state law says must be approved by June 30, even though we don't yet know how much (or little) state funding LCSD will receive!

We are fully aware that anticipated revenue will be much less than what the district has received in recent years because of the nation's economic doldrums. This means making difficult decisions: cutting administrative, teaching, and staff positions, and cutting or reducing some educational programs.

During this process, we are looking at a variety of options and welcome suggestions from everyone. The goal as we work to adopt a budget is to minimize the impact on students. All LCSD team members believe in their mission – to develop passionate learners and responsible citizens – and will do everything possible to ensure that no child is short-changed in receiving the education he or she expects and deserves.

Letter from Your Superintendent



Dear Lincoln County School District Residents:

This issue of "District Dialog" is geared toward the school district's budget for the coming year. While budgets and the economy in general have garnered

much attention in our district, state, and country, I want to remind everyone we are still focused on providing a first class education for all of our students.

Deciding the best way to do that, given our shrinking resources, has been the source of innumerable hours of concentration by many dedicated staff. The latest news from Salem puts our revenue for next year at even less than what we were told a few weeks ago. We likely will not have definitive numbers for next year's budget until at least mid-May. Despite this, state law requires all school districts to prepare and approve their budgets by June 30 each year.

I am preparing a budget showing different scenarios

(levels of funding) for the coming year. Though the "regular" revenue sources are bleak, we do have a couple of other places to provide some relief. The state established a "revenue stabilization" fund a few years back, and we will receive funding from federal stimulus dollars. Though this will not fill the gap anywhere near completely, it will ameliorate the situation.

These are unprecedented times. Though they are difficult, they also provide us with an opportunity to closely examine what we are doing. This examination can yield fruitful results by forcing us to do things differently.

Thank you for taking the time to read this newsletter. We welcome your comments and ideas. As always, please feel free to contact me by phone (541-265-4403) or by email (tom.rinearson@lincoln.k12.or.us).

Sincerely,

Tom Rinearson, Superintendent

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District Budget Explained...

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state deficit became apparent only during the final four months of the current budget cycle, so deep cuts to state-funded programs, including K-12 Education, had to be made in just a few months, rather than over two years.

Given the magnitude of loss in such a short period of time, coupled with national economic trends, the state is asking school districts to plan for the worst case scenario when budgeting for 2009/10. The governor tentatively is proposing a 15% reduction in funding to K-12 Education; this is a statewide cut to education funding ranging between \$5.4 billion and \$6.4 billion. This figure includes using all available federal stimulus dollars, the Oregon Education Stability Fund and the Rainy Day Fund.

Our state legislators are now working on the next biennial budget, with guidance from the Oregon Economic and Revenue Forecast that was released on May 15. Hopefully, LCSD and all other state-funded agencies will soon learn how much state funding they will receive.

Budgeting For Failure: There are two huge consequences to reduced funding and increased costs, Rinearson says.

First is the most obvious:

LCSD will have to cut programs and staff for the next school year and most likely for schools years to come.

Second is less obvious but more threatening: LCSD will be using more of its cash and reserve funds, thus increasing its risk of future instability by preventing the district from saving and planning for the future.

An interesting side note...

Even before the current recession, funding for K-12 Education in Oregon has been on the decline. Adjusted for inflation, Oregon currently spends \$3,376 per student compared to \$4,125 in 1990/91.

This Year's Budget

In December, LCSD administrators began looking at immediate cost-cutting

measures, including the possibility of closing schools as early as April 15. Obviously, that didn't happen. So how did we finish the current school year without any significant program cuts or personnel layoffs?

→ Schools and offices throughout the district found ways to cut discretionary spending (approx. \$897,000)

→ Teachers and staff agreed to a minimum three-day reduction in their contract (approx. \$351,000)

→ Administration used cash (approx. \$1.5 million)

→ Oregon legislators passed School Day Restoration Act (approx. \$478,000)

Next Year's School Budget

To maintain all LCSD programs and staffing at the current level (based on a state K-12 Education funding level of \$5.9 billion), LCSD's budget for 2009/10 would be short by \$7.27 million.

Broken down, this includes a \$4.58 million shortfall in state revenue; \$343,000 million in declining local revenue; and \$2.35 million in increasing costs for such expenses as electricity, wages, benefits, retirement debt, etc.

While Rinearson and his staff are preparing a budget based on the state funding level of \$5.9 billion, they also are developing spending plans based

on lower levels of state spending. For example, if state revenue drops to the \$5.4 billion level, LCSD will have to identify another \$2.27 million in reductions.

As tentatively proposed, the 2009/10 LCSD budget includes the following staffing and program cuts:

→ 29.85 Full-Time Equivalent (FTE) teaching positions (10.9% reduction of teaching staff)

→ 3.5 FTE administrative positions (13.5% reduction)

→ 30.89 classified positions (14.7% reduction)

→ Elimination of Teen Parent Program at Toledo and Newport.

Funding Solutions

LCSD has a couple of funding solutions to help shore up next year's budget: the PERS bonds reserves and the Early Retirement reserves.

PERS Bonds Reserves: In

2002 and 2003, LCSD sold bonds to fund the district's unfunded liability for the Public Employees Retirement System (PERS). Typically, school districts pay amounts to PERS based on a percentage of payroll. Because LCSD bonded the PERS liability, the rates it has had to pay over the last several years have been markedly lower than those of other school districts that did not do so.

LCSD has a debt service fee assessed against payroll in order to repay the bonds. The rate used this year for debt service was 14.75%. For the coming two years, we will drop this rate to 10%, using approximately \$900,000 of the reserves raised over the past three years. By reducing the rate, it "frees" up that same amount in the general fund.

Early Retirement Re-

serves: LCSD has money set aside to cover the health insurance benefits of early retirees. We will shift \$250,000 out of this Early Retirement Reserves to the general fund, using \$125,000 during each of the next two school years.

Pending Legislation: Two bills now under way could offer possible relief: *HB 2558-Small Schools* would bring in more revenue for Toledo schools, but could reduce revenue for Waldport and Eddyville schools.

HB 3401-PERS Side Accounts would allow school district's to "offload" their PERS pickup, equivalent to 6% of payroll.

Federal Stimulus Package

The federal stimulus package, known as the American Recovery and Reinvestment Act (ARRA), provides billions of dollars to help states balance their budgets. Oregon's share is about \$6 billion in direct and indirect payments over the next two to three years, with about \$700 million going to Oregon's public school districts.

There are some downsides: we don't know how much ARRA money LCSD will receive; the funds come with strings attached so we aren't necessarily free to use the money where it is most needed; for the most part, the funds provide a one-time revenue infusion only so isn't

Complete Budget Info Available Online!

Go to www.lincoln.k12.or.us and you'll find links to:

- LCSD proposed 2009/10 budget document
- LCSD school staffing comparisons
- Superintendent's Tom Rinearson's budget message (both PowerPoint slide show and 33-minute video)
- LCSD TV schedule (to find out when Superintendent Rinearson's budget message will air on local cable channels)

helpful in planning for the future.

LCSD anticipates receiving ARRA funds – \$1.15 million in Title I monies (for No Child Left Behind programs); and \$1.18 million in Special Education funds.

Some Quick Budget Facts & Figures

LCSD 2008/09 Adopted Budget\$74.048 million
LCSD 2008/09 General Fund\$47.16 million

LCSD 2009/10 Proposed Budget.....\$70.56 million
LCSD 2009/10 Proposed General Fund...\$43.29 million

LCSD Revenue Sources: In this current year's budget, more than 85% of funding comes from property taxes and state school funding.

Other revenue sources include carryover from previous year, common school fund, state managed timber fees, county school fund, payments-in-lieu of property taxes, tuition for non-resident students, interest on investments, extracurricular activity fees, rental income, grants, sale of fixed assets, and donations from individuals/businesses.

LCSD Expenditures: The majority of daily operations are funded through the General Fund. Here's how LCSD allocated those dollars in the current year's budget:

Salaries.....\$19.5 million
Associated Payroll Costs\$12.5 million
Purchased Services*\$10.7 million
Supplies, Materials, Equipment.....\$ 1.6 million
Reserve for next year\$1.3 million
Contingency.....\$750,000
Dues, Fees.....\$ 527,263
Transfers to other funds\$ 400,000

* This includes Custodial and Transportation Services (33.7%); Charter Schools (32.1%); Utilities (11.7%); Professional Services (13.5%); Rentals, travel, postage, printing, tuition (8.1%); and Contracted Maintenance (2.9%). ♦

IMPORTANT DATES

- High School Graduation Ceremonies
Congratulations to each of our 480 graduating seniors! Our wish is for you to use your education wisely to define and find success in your life!
Career Tech – 5:30 p.m., Friday, June 5
Eddyville – 7 p.m., Friday, June 5
Siletz – 2 p.m., Saturday, June 6
Taft 7-12 – 2 p.m., Saturday, June 6
Waldport – 2 p.m., Saturday, June 6
Toledo – 4 p.m., Saturday, June 6
Newport – 6 p.m., Saturday, June 6

- Last Day of School – Enjoy a fun and safe summer vacation!
Wednesday, June 10



School Libraries **EVOLVE** to meet 21st Century **NEEDS**

over the last 10 years the assistants have been thrust into the role of para-instructor in addition to circulating, cataloging, and reshelving books.

"The role of media specialist has reversed so that now I am behind the scenes supporting the assistants as they promote a love of reading and informational literacy," he says.

Hoffman's role is maintaining each library's collection development through acquiring and deselecting the books on the shelves. Purchasing professionally reviewed books that support the curriculum and deselecting books from the shelves that are outdated is an on-going process, "much like tending a garden," Hoffman reflects. "There is always something that needs attention."

Diminishing dollars also mean that resources must be handled more efficiently.

"We are now able to share resources among buildings so media purchases go further," he says. "We are set up to do inter-library loans so the entire district's resources are at the tip of a finger for our students."

Electronic, Print Resources

Libraries still contain fiction, non-fiction, and reference books, but continue to evolve in meeting students' information needs in the 21st century. Most school libraries have computer labs within or next to the media centers. Students are learning to move seamlessly between electronic and print resources.

Hoffman says students and teachers tend to turn first to the Internet to find answers to their questions, so it is imperative that they understand how to search productively. With a sea of information out there, patrons need to be able to use keywords to narrow their inquiries and to be able to evaluate the sites they hit for accuracy, bias, and authority. These information literacy skills still must be taught by licensed staff, according to Division 22 of

the Oregon Revised Statutes, but without building media specialists to help teachers and media assistants with these skills, a handbook was created as a guide.

"With electronic information and the ease of copying and pasting, it is vital that students understand the ethics of plagiarism, the legalities of copyright, and the concepts surrounding intellectual property... this learning must be integrated throughout a student's experience in public school," Hoffman says.

Books Still Popular

Book circulation statistics are up as many teachers bring their classes in for specific assignments on biographies or research reports, but given their own



choice, secondary students are mainly checking out from the fiction sections. "This generation of students is highly visual because they've grown up with computers, video games, and portable DVDs," Hoffman notes. "Graphic novels are popular with kids of all ages, as are books that contain 'factoids' like lists and records, or 'sight bytes' of a process, product, or animal," he says. "Harry Potter has waned in popularity, but the 'Twilight' series has taken its place with secondary students."

Audio books are in each library's col-

lection as well to supplement instruction of classroom novels for those students who are learning English as a second language or are challenged by the printed word.

As for filmstrips, 16-mm films, and chalkboards, those are things of the past in most classrooms. Many teachers now have interactive "smart boards" and data projectors as teaching tools. Videos are burned to a DVD or streamed into the class from a server purchased through the Linn-Benton-Lincoln Education Service District Tier II funds using a subscription from Discovery Education (streaming.discoveryeducation.com/index.cfm) and managed through LCSD Media Services.

Online Resources for Kids, Families

LCSD libraries subscribe to World Book Online (worldbookonline.com/wbl/Login?ed=wb) which may be used by students and family members, using a password, from any computer anywhere that is connected to the Internet.

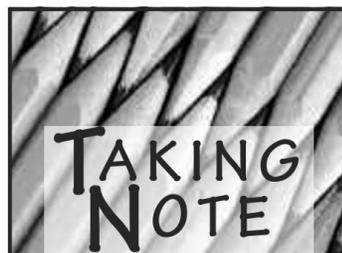
For access to magazine, periodical, and scholarly research material, students are directed to the Oregon State Library Information System (oslis.org) where the huge EBSCO database of information is linked.

To find any book in the LCSD system patrons can hit: destiny.lincoln.k12.or.us and they can search and filter in a variety of ways.

"It is an exciting time to see media technology being utilized to promote learning in meaningful ways," says Hoffman. "To be able to impact and support it is thoroughly satisfying."

Hoffman looks forward to retiring in three years, but sees himself being involved in some facet of education long into the future.

"This has been our home, and both our children are products of the Lincoln County school system. My entire professional career has been right here. I want to continue to be a part of the good things that are happening in our public schools... now and long into the future." ♦



NEWS OF INTEREST from around the district

Students Visit Aquarium, Critique 'Oddwater' Film

Erik Browning's eighth-grade science classes from Toledo Junior/Senior High School had a unique opportunity earlier this year, thanks to a partnership between LCSD and the Oregon Coast Aquarium in Newport.

The students were invited to visit the aquarium (without charge) to participate in a focus group providing feedback on a new film tied to the 'Oddwater' exhibit. After giving their opinions, the students

toured the aquarium with digital cameras so they could produce Power Point presentations about their learning experience.

Dental Program Helps Kids Avoid Cavities

Young Lincoln County students are participating in a pilot program which may spare them the experience of having cavities drilled and filled in a dentist's office.



SECOND-GRADER WILLIAM BROOKS has his teeth examined by a dental health assistant at Taft Elementary School. See story at left.

Beginning in February and continuing through the end of May, approximately 400 first- and second-grade students at the district's six elementary schools will be screened through Oregon's dental sealant and oral health program.

The school-based program consists of a sealant education DVD presentation, a dental screening, and sealants placed by a registered dental

hygienist and dental assistant.

"Although it is recommended that children begin regular dental visits by the age of 1, many children are unable to visit a dental office," says LCSD District Nurse Julie Turner R.N., M.S.N. "Children are less anxious and fearful of

receiving dental care in their familiar school environment, and it's a more convenient and efficient way for dental health providers to see a large number of children."

According to state health officials, 85% of tooth decay in permanent teeth occurs on the chewing surfaces

of the back teeth (molars), which usually come during a child's first- or second-grade years. When applying the



BIKES FOR BOOKS. To promote literacy, the Waldport Lions Club invites children at Crestview Elementary to enter the "Bikes For Books" program, in which students write reports on books they've read. All participating students are entered into a drawing each semester, and the lucky winner choosing either a bicycle or skateboard, plus helmet. Here, club member Kathy Amick presents the prize to the most recent winner, second-grader Brooklyn McElroy.

thin liquid-plastic dental sealants to the chewing surfaces of molars, the coating flows into the natural deep pits and grooves, which are difficult to reach with a toothbrush, and seals out decay-causing bacteria. The procedure is painless and requires no anesthetic.

Attendance Flag Update

This year's "Capture the Flag" competition among LCSD elementary schools helps to increase school pride and boost student attendance. Each month, the winning school has the honor of displaying the bright yellow Attendance Flag at their school.

JANUARY: Oceanlake Elementary in Lincoln City won (95.4%), followed by Yaquina View Elementary in Newport (94.7%).

FEBRUARY: Taft Elementary in Lincoln City took top honors (91.9%), followed by Crestview Heights School in Waldport (91.7%).

MARCH: The top finisher was Sam Case Elementary in Newport (92.8 %), followed by Oceanlake (91.5 percent).

APRIL: The same two schools were top finishers again: Sam Case (94.6 %), and Oceanlake (94.2 percent). ♦

REFRESHING TEACHING SKILLS

Because learning is a lifelong process, LCSD teachers regularly participate in a variety of workshops and programs to keep their classroom skills current and to learn new ideas.

In January, three dozen teachers and staff members attended the "Connected and Respected" workshop to update and refresh their skills in the Resolving Conflict Creatively Program. The workshop and curriculum materials were entirely funded by a grant from the JAMS Foundation. In photo at left, Yaquina View Elementary teachers do a fun cooperative activity during the workshop. They are, from left, Sarah Parker, Deborah Gwynn, Stacy Wallace, John Meyer, Gabriela Hill, Sue Fowler and Rosanne Bennett.



Fifteen LCSD teachers attended the "Magic Planet: Using Real-time Data in the Classroom" workshop at the Hatfield Marine Science Center in February. Teachers learned what real-time data is and gained hands-on experience and curriculum for using it in their classrooms. The workshop was entirely funded by a grant that the OSU/Sea Grant faculty and staff received from NOAA. In photo at right, teachers Kathleen Dougherty (Eddyville Charter) and Rich Berenson (Toledo Junior/Senior High School) work together on the laptop, while teacher mentor Deb Gaffney works with Beth Parsons (Taft Elementary) and Dana Spink (Toledo Elementary).



Diminishing Resources

"During my first 20 years of teaching we had a media specialist in every building to team teach with, and each specialist had a media assistant to help do the clerical work," Hoffman recalls.

Because of declining revenue and increasing class sizes in the 1990s, media specialist positions were removed, and

Community members don't often get to witness the excitement of learning that happens in a classroom. In Lincoln County, however, you can see student work in action by turning your television to LCSD TV (channel 4 in the south part of the county and channel 21 in the north). There, you'll see a variety of programs highlighting school district activities. But, it's more important to note that the shows are almost entirely produced - planned, scripted, filmed on location or in the studio, and edited - by Toledo Junior/Senior High School students, under the direction of video production/broadcasting teacher



Peter Vince (pictured below).

"The goal is to promote the district," Vince says. "We'll work with any teacher who is interested in doing videos for their classes. We can create videos and put it on the station. I know that teachers' time is very full, so it's great when they can take advantage of this."

Celebrating its first anniversary on March 17, LCSD TV offers an exciting and invaluable learning experience for students. Thanks to Title II D technology grant money and a high level of district support, students work in a professionally outfitted studio. The big "wow" is the TriCaster Pro, a portable production system that allows

students to live mix camera sources with video, using cut and fade transitions and other video effects.

(A second TriCaster system is located at Taft High School. With guidance from teacher Ben Hensley, video production students create two Taft High announcement programs per week.)

Among this year's LCSD TV broadcasting students are sophomores Raven Jones and Brittany Hughes (pictured at right in the control room.) When filming a live event such as a

LCSD TV Program Schedule Available Online!
www.lincoln.k12.or.us
(near bottom of left-hand column)

school talent show or ball game, they must make split-second decisions about camera angles and locations, sound, graphics, transitions, and much more.

"It can be very stressful and hectic," Jones says. "It's a challenge."

Hughes agrees: "You have to be on your toes. It's hard to predict where to put the camera, especially in basketball. It makes me a little nervous, but I love it!"

Vince praises his students. "They are in charge, period. They decide what airs, and how it looks.

They are responsible for the transitions, putting on credits, getting out the glitches," he says. "For the elements that require more creative insights, well, they're just about to be there."

Students have worked with a variety of community groups to produce work, including the Marine Science Center and Writers on the Edge; and have work with School Superintendent Tom Rinearson to update his periodic budget messages.

Not all student productions air on LCSD TV. For instance, a local governing agency recently contracted with the school to film a three-day conference for their own use. And, the creative work produced by the "Boomercast" crew can

only be viewed online at: thsboomers.com.

Likewise, not all shows airing on LCSD TV are student-produced (in particular, the Arts Channel programs and broadcasts of city and county governmental meetings).

Be sure to check out the LCSD TV program schedule online at: www.lincoln.k12.or.us for a complete list of shows, air times and dates. ♦

